

# O'BRIEN & RYAN, LLP

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ANTHONY P. DeMICHELE  
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February 3, 2015

**VIA ELECTRONIC FILING & FIRST CLASS MAIL**

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
400 North Street  
Harrisburg, PA 17120

RE: AUI Associates, Inc.  
Docket No. A-2014-2457990  
Utility Code: 1217172  
Our File No.: 91970.00002

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2015 FEB -6 AM 10:44  
PA P.U.C.  
SECRETARY'S BUREAU

Dear Ms. Chiavetta:

In response to the correspondence of Darren D. Gill, Deputy Director, dated January 15, 2015, enclosed please find the following documents to supplement the NGS License Application of AUI Associates, Inc., which was accepted for filing and docketed on November 21, 2014:

- Updated sheet to reflect full contact information and phone number for the alternate contact (Section 1. e);
- Updated sheet to reflect bonding requirements (Section 7. a);
- Bonding letters from PGW and PECO (Exhibit "J"); and
- Verification.

If you have any questions regarding this matter, please do not hesitate to contact me.

Very truly yours,



ANTHONY P. DeMICHELE

APD/jjp

Enclosures

cc: Lee Yalcin (via email, w/ enclosures)

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Version Revised 08/01/14

2015 FEB 10 4 55 BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Application of AUI Associates, Inc., for approval to offer, render, furnish, or supply natural gas supply services specified in item #4b below to the public in the Commonwealth of Pennsylvania (Pennsylvania).

SECRETARY'S BUREAU

To the Pennsylvania Public Utility Commission:

**1. IDENTIFICATION AND CONTACT INFORMATION**

- a. **IDENTITY OF THE APPLICANT:** Provide name (including any fictitious name or d/b/a), primary address, web address, and telephone number of Applicant:

AUI Associates, Inc.  
1122 Nottingham Drive  
West Chester, PA 19380-4055  
www.energyconsulting.com  
(610) 517-3362 phone / (610) 692-4411 fax

- b. **PENNSYLVANIA ADDRESS / REGISTERED AGENT:** If the Applicant maintains a primary address outside of Pennsylvania, provide the name, address, telephone number, and fax number of the Applicant's secondary office within Pennsylvania. If the Applicant does not maintain a physical location within Pennsylvania, provide the name, address, telephone number, and fax number of the Applicant's Registered Agent within Pennsylvania.

N/A

- c. **REGULATORY CONTACT:** Provide the name, title, address, telephone number, fax number, and e-mail address of the person to whom questions about this Application should be addressed.

Len D. Chylack, President (ldchylack@energyconsulting.com)  
AUI Associates, Inc.  
1122 Nottingham Drive  
West Chester, PA 19380-4055  
(610) 517-3362 phone / (610) 692-6544 office / (610) 692-4411 fax

- d. **ATTORNEY:** Provide the name, address, telephone number, fax number, and e-mail address of the Applicant's attorney. If the Applicant is not using an attorney, explicitly state so.

Anthony P. DeMichele, Esquire (ademichele@obrlaw.com)  
O'Brien & Ryan, LLP  
Hickory Pointe  
2250 Hickory Road, Suite 300  
Plymouth Meeting, PA 19462  
(610) 834-8800 phone / (610) 834-1749 fax

- e. **CONTACTS FOR CONSUMER SERVICE AND COMPLAINTS:** Provide the name, title, address, telephone number, fax number, and e-mail of the person and an alternate person responsible for addressing customer complaints. These persons will ordinarily be the initial point(s) of contact for resolving complaints filed with the Applicant, the Natural Gas Distribution Company, the Pennsylvania Public Utility Commission, or other agencies. The main contact's information will be listed on the Commission website list of licensed NGSS.

Len D. Chylack, President (ldchylack@energyconsulting.com)  
AUI Associates, Inc.  
1122 Nottingham Drive  
West Chester, PA 19380-4055  
(610) 517-3362 phone / (610) 692-6544 office / (610) 692-4411 fax

Len A. Chylack, CEO  
1122 Nottingham Drive  
West Chester, PA 19380  
(610) 517-3362 phone / (610) 692-4411 fax  
lachylack@energyconsulting.com

## 7. FINANCIAL FITNESS

- a. **BONDING:** In accordance with 66 Pa. C.S. Section 2208(c), no natural gas supplier license shall be issued or remain in force unless the applicant or holder furnishes a bond or other security in a form and amount to ensure the financial responsibility of the natural gas supplier. The criteria used to determine the amount and form of such bond or other security shall be set by each NGDC. Provide documentation that the applicant has met the security requirement of each NGDC by submitting the letters sent by the NGDCs stating what bonding amounts they require.

See Exhibit "J" attached.

- b. **FINANCIAL RECORDS, STATEMENTS, AND RATINGS:** Applicant must provide sufficient information to demonstrate financial fitness commensurate with the service proposed to be provided. Examples of such information which may be submitted include the following:

- Actual (or proposed) organizational structure including parent, affiliated or subsidiary companies.
- Published Applicant or parent company financial and credit information (i.e. 10Q or 10K). (SEC/EDGAR web addresses are sufficient)
- Applicant's accounting statements, including balance sheet and income statements for the past two years.
- Evidence of Applicant's credit rating. Applicant may provide a copy of its Dun and Bradstreet Credit Report and Robert Morris and Associates financial form, evidence of Moody's, S&P, or Fitch ratings, and/or other independent financial service reports.
- A description of the types and amounts of insurance carried by Applicant which are specifically intended to provide for or support its financial fitness to perform its obligations as a licensee.
- Audited financial statements exhibiting accounts over a minimum two year period.
- Bank account statement, tax returns from the previous two years, or any other information that demonstrates Applicant's financial fitness.

See Exhibits "E", "F", "H" and "I" attached.

- c. **SUPPLIER FUNDING METHOD:** If Applicant is operating as anything other than Broker/Marketer only, explain how Applicant will fund its operations. Provide all credit agreements, lines of credit, etc., and elaborate on how much is available on each item.

N/A

- d. **BROKER PAYMENT STRUCTURE:** If applicant is a broker/marketer, explain how your organization will be collecting your fees.

AUI Associates, Inc.'s fees are paid by AUI Associates, Inc.'s natural gas suppliers.

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# Exhibit "J"



PHILADELPHIA GAS WORKS

800 West Montgomery Avenue • Philadelphia, PA 19122

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January 21, 2015

Anthony DeMichele, Esq.  
AUI Associates, Inc.  
1122 Nottingham Drive  
West Chester, PA 19380-4055

Re: Security Requirement Bond for AUI Associates, Inc.

Dear Mr. DeMichele:

Philadelphia Gas Works ("PGW") is aware that AUI Associates, Inc. has filed an application with the Pennsylvania Public Utility Commission to supply natural gas services to the public in Pennsylvania and specifically within the services territory of Philadelphia Gas Works.

As you know, in making such an application, AUI Associates, Inc. must furnish acceptable security to each utility where AUI Associates, Inc. will do business. As such, under its tariff, Philadelphia Gas Works could require AUI Associates, Inc. to provide a bond or other financial security instrument in an amount that Philadelphia Gas Works determines to be appropriate.

However, you have indicated, and it is Philadelphia Gas Works' understanding, that AUI Associates, Inc. intends only to provide natural gas aggregating, brokering and consulting services at this time. You have stated that, in performing these services, AUI Associates, Inc. will never take title to any delivered natural gas.

Based upon your representations, Philadelphia Gas Works has determined that, at this time, AUI Associates, Inc. does not need to post a bond or other form of security to operate in its service territory. If the services provided by AUI Associates, Inc. should change, Philadelphia Gas Works reserves the right to require security from AUI Associates, Inc. as it deems appropriate.

If you have any questions concerning the foregoing, please contact me at (215) 684-6278.

Sincerely,

A handwritten signature in cursive script that reads "Nicholas LaPergola".

Nicholas LaPergola  
Director  
Gas Supply, Transportation & Control

NL:b



PECO Energy Company  
Gas  
2301 Market Street, Sg-3  
Philadelphia, PA 19101

www.exeloncorp.com

An Exelon Company

February 3, 2015

Len D. Chylack, President  
AUI Associates, Inc.  
1122 Nottingham Drive  
West Chester, PA 19380-4055

Re: Bonding Requirements

Dear Len Chylack:

PECO is aware that AUI Associates, Inc. has applied for a license to provide brokering and consulting services to commercial and industrial customers on the distribution system of PECO.

In making such an application, AUI Associates, Inc. could be required to provide to PECO a bond or other acceptable financial security in an amount that PECO determines to be appropriate. AUI Associates, Inc. has indicated that it intends to provide only brokering and consulting services to commercial and industrial customers will not take title to any delivered natural gas; nor will accept any customer payments or deposits. Therefore, PECO has determined at this time that AUI Associates, Inc. does not need a bond or other financial security requirement, since they are not directly engaging in business with PECO and only providing brokering or consulting services to PECO customers. However, if the services provided by AUI Associates, Inc. or the creditworthiness requirement for PECO's exposure to AUI Associates, Inc. changes in the future, PECO reserves the right to require AUI Associates, Inc. to provide a bond or other financial security instrument.

If you should have any questions regarding this matter, please contact Chris Sauerbaum at 215-841-6422 or myself at 215-841-6452.

Respectfully submitted,

A handwritten signature in cursive script that reads "Carlos P. Thillet".

Carlos P. Thillet  
Manager, Gas Supply and Transportation  
2301 Market St S9-1  
Philadelphia, Pa 19103

**VERIFICATION**

I, Anthony P. DeMichele, Esquire, hereby state that the facts above set forth are true and correct to the best of my knowledge, information and belief, and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. § 4904 (relating to unsworn falsification to authorities).

  
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ANTHONY P. DeMICHELE, ESQUIRE

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**FEB 6 2015**

**PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU**

**O'BRIEN & RYAN, LLP**  
ATTORNEYS AT LAW

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Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
400 North Street  
Harrisburg, PA 17120

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